

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	File No. EB-06-SE-001
	)	NAL/Acct. No. 200732100040
Verizon	)	FRN # 0016304214
	)	

**ORDER**

**Adopted: July 17, 2007**

**Released: July 17, 2007**

By the Commission:

1. In this Order, we adopt the attached Consent Decree entered into between the Commission and Verizon. The Consent Decree terminates the Enforcement Bureau's investigation into Verizon's compliance with Part 4 of the Commission's rules regarding the reporting of network outages.<sup>1</sup>

2. The Commission and Verizon have negotiated the terms of a Consent Decree that would resolve this matter and terminate the investigation. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. We conclude that, in the absence of new material evidence, no substantial or material questions of fact exist with respect to this matter as to whether Verizon possesses the basic qualifications, including those related to character, to hold or obtain any FCC license or authorization.

4. After reviewing the terms of the Consent Decree, we find that the public interest will be served by adopting the Consent Decree and terminating the Enforcement Bureau's investigation.

5. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Communications Act of 1934, as amended,<sup>2</sup> the Consent Decree attached to this Order **IS ADOPTED**.

6. **IT IS FURTHER ORDERED** that the Enforcement Bureau's investigation **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that Verizon will make a voluntary contribution to the United States Treasury in the amount of one million, four hundred thousand dollars (\$1,400,000) within thirty (30) calendar days after the Effective Date. Such contribution shall be made by credit card through the Commission's Debt and Credit Management Center at (202) 418-1995, or by mailing a check or similar instrument, payable to the order of the Federal Communications Commission, to the Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank/LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made to ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6106. The payment should reference the NAL/Acct. No. and FRN number referenced above.

---

<sup>1</sup> 47 C.F.R. § 4.1 *et seq.*

<sup>2</sup> 47 U.S.C. § 154(i).

8. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Kathleen Grillo, Vice President, Federal Regulatory, Verizon, 1300 I Street, N.W., Suite 400 West, Washington, D.C. 20005.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

**CONSENT DECREE**

1. The Federal Communications Commission (the “Commission” or “FCC”) and Verizon, by their respective authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau’s Investigation into Verizon’s compliance with the Commission’s regulations in 47 C.F.R. Part 4 regarding the reporting of network outages.

2. For the purposes of this Consent Decree, the following definitions shall apply:

- (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. §§ 151 *et seq.*
- (b) “Adopting Order” or “Order” means an order of the Commission adopting this Consent Decree.
- (c) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
- (d) “Commission” or “FCC” means the Federal Communications Commission.
- (e) “Effective Date” means the date on which the Commission releases the Order.
- (f) “Investigation” means the investigation initiated by the Bureau’s May 10, 2006 Letter of Inquiry regarding Verizon’s compliance with the Commission’s regulations in Part 4 of its Rules regarding the reporting of network outages through the Effective Date.
- (g) “Parties” means Verizon and the Commission.
- (h) “Rules” means the Commission’s regulations set forth in Title 47 of the Code of Federal Regulations.
- (i) “Verizon” means the regulated, wholly owned subsidiaries of Verizon Communications Inc.

**I. BACKGROUND**

3. Pursuant to Part 4 of the Rules, a wireline communications provider is required to submit to the Commission an electronic Notification within 120 minutes after discovering that it has experienced a network outage of at least 30 minutes duration that: (1) potentially affects at least 900,000 user minutes of either telephony or paging; (2) affects at least 1,350 DS3 minutes; (3) potentially affects any special offices or facilities, as defined by the Rules; or (4) potentially affects a 911 special facility, as defined by the Rules. 47 C.F.R. §§ 4.5, 4.9(f). Within 72 hours after discovering such an outage, a wireline communications provider is required to submit electronically an Initial Communications Outage Report. 47 C.F.R. § 4.9(f).

4. Verizon is a wireline communications provider and is subject to the network outage reporting regulations in Part 4 of the Commission’s Rules.

5. On May 10, 2006, the Bureau issued a Letter of Inquiry (“LOI”) initiating an investigation regarding Verizon’s outage reporting procedures and Verizon’s compliance with the Commission’s outage reporting rules. On June 21, 2006, Verizon submitted a response to the LOI.

## II. TERMS OF AGREEMENT

6. The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order.

7. Verizon agrees that the Commission has jurisdiction over it and the subject matter contained in this Consent Decree and the authority to enter into and adopt this Consent Decree.

8. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties of the Investigation. In express reliance on the covenants and representations in this Consent Decree, the Commission agrees to terminate the Investigation without any finding of liability on the part of Verizon. In consideration for the termination of the Investigation and in accordance with the terms of this Consent Decree, Verizon agrees to the terms, conditions, and procedures contained herein.

9. The Parties agree that this Consent Decree shall become binding on the Parties on the Effective Date. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other final order of the Commission and any violation of the terms and conditions of this Consent Decree shall constitute a violation of a Commission order.

10. The Parties agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's rules and orders. The Parties agree that this Consent Decree is for settlement purposes only and that by agreeing to this Consent Decree, Verizon does not admit or deny noncompliance, violation or liability for violating the Act or the Rules in connection with the matters that are the subject of this Consent Decree.

11. Verizon agrees that it will make a voluntary contribution to the United States Treasury, without further protest or recourse, in the amount of one million, four hundred thousand dollars \$1,400,000 within thirty (30) calendar days after the Effective Date. Such contribution shall be made by credit card through the Commission's Debt and Credit Management Center at (202) 418-1995, or by mailing a check or similar instrument, payable to the order of the Federal Communications Commission, to the Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank/LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made to ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6106. The payment should reference Acct. No. 200732100040 and FRN # 0016304214.

12. Verizon agrees that it will develop, within thirty (30) calendar days from the Effective Date, an internal Compliance Plan to ensure Verizon's future compliance with the Commission's regulations in Part 4 of its Rules regarding the reporting of disruptions to communications. The Compliance Plan will include, at a minimum, the following components:

- A. **Compliance Training Program.** Verizon shall establish and maintain an FCC outage reporting training program, as detailed below, for all employees who are responsible for gathering and/or analyzing information regarding Verizon's network outages, entering that information into any Verizon database(s) and/or record(s) that forms the basis of

Verizon's reporting of network outages to the Commission, or compiling and/or submitting Verizon's outage reports to the Commission.<sup>1</sup>

- i. Verizon's Compliance Training Program shall address, at a minimum, the FCC's Rules governing the reporting of network outages, the information and calculations necessary to determine whether an outage is reportable under the FCC's Rules, and the time periods during which notifications and reports of reportable outages must be submitted to the FCC. Verizon's Compliance Training Program shall also address the methods and procedures adopted by Verizon to identify and report those network outages that satisfy the FCC's reporting criteria in order to ensure compliance with the FCC's outage reporting Rules. The training program shall also include information on the potential internal and regulatory consequences of failing to comply with Verizon's methods and procedures and/or the FCC's outage reporting requirements.
- ii. Verizon shall provide the foregoing outage reporting training within six months of the Effective Date and will update the training at least annually for all of its employees who are responsible for gathering and/or analyzing information regarding Verizon's network outages, entering that information into any Verizon database(s) and/or record(s) that forms the basis of Verizon's reporting of network outages to the Commission, or compiling and/or submitting Verizon's outage reports to the Commission. Verizon will also provide training to new employees responsible for these activities.
- iii. Verizon shall update and enhance the foregoing training regarding the FCC's outage reporting requirements as appropriate and necessary.

**B. Internal Controls Over Outage Reporting.** Verizon will create, and shall maintain, a warning system that alerts an employee if he/she has entered incomplete information into Verizon's vRepair Abnormal Events (vRAE) database regarding a network outage in a way that may interfere with Verizon's ability to identify and report a reportable network outage.

**C. Annual Report.** Twelve months and twenty-four months after the Effective Date, Verizon shall submit an affidavit or declaration under penalty of perjury, signed and dated by an authorized officer of Verizon with personal knowledge of the representations therein, verifying that Verizon has complied with the terms of this Consent Decree. The declaration shall be submitted to Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12<sup>th</sup> Street, S.W., Washington, D.C. 20554. The declaration or affidavit must comply with Section 1.16 of the Commission's rules, 47 C.F.R. § 1.16, and be substantially in the form set forth therein.

---

<sup>1</sup> Under this provision, Verizon will not be required to provide outage reporting compliance training to employees whose responsibilities do not include gathering, analysis, or data entry of information regarding Verizon's network outages or compiling Verizon's outage reports, or whose involvement in Verizon's outage reporting activities is limited to performing job functions that are not specific to outage reporting under the Commission's Rules.

- D. Termination.** The provisions of this paragraph shall remain in effect for two (2) years from the Effective Date.

13. The Commission agrees that, in the absence of new material evidence, it will not institute, on its own motion or in response to third-party objection, any new proceeding, formal or informal, or take any action on its own motion against Verizon for possible past violations of Part 4 of the Commission's rules regarding the reporting of network outages prior to the Effective Date. The Commission also agrees that, in the absence of new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any new proceeding, formal or informal, or to take any action on its own motion, against Verizon for possible violations of Part 4 of the Commission's rules regarding the reporting of network outages prior to the Effective Date. The Commission further agrees that, in the absence of new material evidence, it will not use the facts developed in this Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion, against Verizon with respect to its basic qualifications, including its character qualifications, to be a Commission licensee.

14. Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating any formal or informal complaint filed against Verizon pursuant to Section 208 of the Act, 47 U.S.C. § 208, and to take action in response to such formal complaint. If any such complaint is made, the adjudication of that complaint will be based solely on the record developed in that proceeding and the Commission shall not use any facts developed through the Investigation in any such proceeding. Except as expressly provided in this Consent Decree, nothing herein shall prevent the Commission or its delegated authority from investigating Verizon's compliance with the Act, the Commission's rules, or this Consent Decree.

15. Verizon waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Order adopts this Consent Decree without change, addition, or modification. Verizon shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein.

16. Verizon's decision to enter this Consent Decree is expressly contingent upon the Commission's issuance of the Order adopting the Consent Decree without change, addition, or modification.

17. Nothing in this Consent Decree shall preclude Verizon from petitioning the Commission for relief as to future obligations under Part 4 of the Commission's Rules.

18. In the event that this Consent Decree is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

19. The Parties agree that if either Party (or the United States on behalf of the Commission), brings a judicial action to enforce the terms of the Order adopting this Consent Decree, neither Verizon nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Verizon will waive any statutory right to a trial *de novo* regarding the terms or validity of the Consent Decree. Verizon, however, may present evidence that it has not violated the Consent Decree.

20. Verizon agrees that any violation of any term of this Consent Decree shall constitute a separate violation of a Commission order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order.

21. The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Verizon does not consent), that provision will be superseded by such Commission rule or order.

22. This Consent Decree cannot be modified without the advance written consent of both Parties.

23. This Consent Decree may be signed in counterparts.

For the Federal Communications Commission:

\_\_\_\_\_  
Marlene H. Dortch  
Secretary

\_\_\_\_\_  
Date

For Verizon:

\_\_\_\_\_  
Michael D. Poling  
Senior Vice President -- National Operations and Support

\_\_\_\_\_  
Date